

## UK BRANCH BUSINESS

AC1748



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(Schedules 1 , 2 , 5 and 6 )

## Statement of solvency

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**

R9	Company registration number FC19045	GL/UK/CM UK	Period ended			Units £000
			day	month	year	
			31	12	1996	
		As at the end of this financial year	As at the end of the previous year		Source	
		1	2		Form	Line Column

## GENERAL BUSINESS

## Available assets

Other than long term business assets allocated towards general business required minimum margin	11	4549	See instructions 1 and 2		
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## Required minimum margin

Required minimum margin for general business	12	156	12 . 49		
Excess (deficiency) of available assets over the required minimum margin (11-12)	13	4393			

## LONG TERM BUSINESS

## Available assets

Long term business admissible assets	21		10 . 11		
Other than long term business assets allocated towards long term business required minimum margin	22		See instructions 1 and 3		
Total mathematical reserves (after distribution of surplus)	23		See instruction 4		
Other insurance and non-insurance liabilities	24		See instruction 5		
Available assets for long term business required minimum margin (21+22-23-24)	25				

## Implicit items admitted under regulation 23(5) of the Insurance Companies Regulations 1994

Future profits	31				
Zillmerising	32				
Hidden reserves	33				

Total of available assets and implicit items (25+31+32+33)	34				
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## Required minimum margin

Required minimum margin for long term business	41		60 . 69		
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42				
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43				
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44				

## CONTINGENT LIABILITIES

Quantifiable contingent liabilities in respect of other than long term business as shown in a supplementary note to Form 15	51		See instruction 6		
Quantifiable contingent liabilities in respect of long term business as shown in a supplementary note to Form 14	52		See instruction 6		

W E Namacher Authorised Representative

D Stevens Accounting Manager

## Statement of net assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Company  
registration  
number

GL/UK/CM

Period ended

day month year

Units

	R10	FC19045	UK	31	12	1996	£000
		As at the end of this financial year 1	As at the end of the previous year 2	Source			
				Form	Line	Column	
Long term business - admissible assets	11			13	89	1	
Long term business - liabilities and margins	12			14	59	1	

Other than Long term business - admissible assets	21	5374		13	89	1	
Other than Long term business - liabilities	22	825		15	69	1	
Net admissible assets (21-22)	23	4549					
Other assets allowed to be taken into account in covering the required minimum margin	24						
Unpaid amounts (including share premium) on partly paid shares	25						
Supplementary contributions for a mutual carrying on general business	26						
Liabilities allowed to be left out of account in covering the required minimum margin	27						
Subordinated loan capital	28						
Cumulative preference share capital	29	4549					
Available assets (23 to 27)	29	4549					

## Represented by:

Paid up share capital (other than cumulative preference share capital)	51					
Amounts included in lines 24 to 27 above	52					
Amounts representing the balance of net assets	56	4549				
Total (51 to 56) and equal to line 29 above	59	4549				

## Movement of balance of net assets for solvency purposes - as per line 56

Balance brought forward at the beginning of the financial year	61			10	56	2
Retained profit/(loss) for the financial year	62	77		16	59	1
Movement in asset valuation differences	63	(21)		See instruction 2		
Decrease/(increase) in the provision for adverse changes	64			See instruction 3		
Other movements (particulars to be specified by way of supplementary note)	65	4493				
Balance carried forward at the end of the financial year (61 to 65)	69	4549				

**General business : Calculation of required margin of solvency - first method**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**

		Company registration number	GL/UK/CM	Period ended			Units
		R11	FC19045	UK	day	month	year
					31	12	1996
							£000
				This financial year	Previous year		
				1	2		
Gross premiums receivable		11		654			
Premium taxes and levies (included in line 11)		12					
<b>Sub-total A (11-12)</b>		13		654			
Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure		14					
Division of Sub-total A (or adjusted Sub-total A if appropriate)	Other than health insurance	Up to and including sterling equivalent of 10M ECU x 18/100	15	118			
		Excess (if any) over 10M ECU x 16/100	16				
	Health insurance	Up to and including sterling equivalent of 10M ECU x 6/100	17				
		Excess (if any) over 10M ECU x 16/300	18				
<b>Sub-total B (15+16+17+18)</b>		19		118			
Claims paid		21		15			
Claims outstanding carried forward at the end of the financial year	For business accounted for on an underwriting year basis	22					
	For business accounted for on an accident year basis	23		214			
Claims outstanding brought forward at the beginning of the financial year	For business accounted for on an underwriting year basis	24					
	For business accounted for on an accident year basis	25					
<b>Sub-total C (21+22+23-(24+25))</b>		29		229			
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		30		28			
<b>Sub-total D (29-30)</b>		39		201			
<b>First result</b> Sub-total B x $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if $\frac{1}{2}$ is a greater fraction, x $\frac{1}{2}$ )		41		104			

**General business : Calculation of required margin of solvency - second method, and statement of required minimum margin**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

R12	FC19045	UK	31	12	1996	£000
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				This financial year	Previous year	Source		
				1	2	Form	Line	Column
Reference period (No. of financial years) Insert "0" if there is no reference period otherwise insert "3" or "7"				0	11			See Instruction 1
Claims paid in reference period				21				
Claims outstanding carried forward at the end of the reference period	For business accounted for on an underwriting year basis			22				
	For business accounted for on an accident year basis			23				
Claims outstanding brought forward at the end of the reference period	For business accounted for on an underwriting year basis			24				
	For business accounted for on an accident year basis			25				
Sub-total E (21+22+23-(24+25))				29				
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)				31				
Division of Sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100		32				
		Excess (if any) over 7M ECU x 23/100		33				
	Health insurance	Up to and including sterling equivalent of 7M ECU x 26/300		34				
		Excess (if any) over 7M ECU x 23/300		35				
Sub-total G (32 to 35)				39				
Second result Sub-total G x Sub-total D (or, if ½ is a greater fraction, x ½)				41				

First result	42	104		11	41
Required margin of solvency (the higher of lines 41 and 42)	43	104			

Minimum guarantee fund	44	156			
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Required minimum margin (the higher of lines 43 and 44)	49	156			
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## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	day	month	year	£000	1
Investments					As at the end of this financial year 1			As at the end of the previous year 2	
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance dependants	Shares			21				
		Debt securities issued by, and loans to, dependants			22				
	Other insurance dependants	Shares			23				
		Debt securities issued by, and loans to, dependants			24				
	Non-insurance dependants	Shares			25				
		Debt securities issued by, and loans to, dependants			26				
	Other group undertakings and participating interests	Shares			27				
		Debt securities issued by, and loans to, group undertakings			28				
		Participating interests			29				
Debt securities issued by, and loans to, undertakings in which the company has a participating interest			30						
Total sheet 1 (11 to 30)					39				

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Total other than long term business assets**

R13	FC19045	UK	Period ended			Units	Category of assets
			day	month	year		
			31	12	1996	£000	1

Investments (continued)				As at the end of this financial year 1	As at the end of the previous year 2
Deposits with ceding undertakings					
Assets held to cover linked liabilities					
Other financial investments	Equity shares			41	
	Other shares and other variable yield securities			42	
	Holdings in collective investment schemes			43	
	Rights under derivative contracts			44	
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	4681
			Other	46	
		Variable interest	Approved securities	47	
			Other	48	
	Participation in investment pools			49	
	Loans secured by mortgages			50	
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51	
		Loans secured by policies of insurance issued by the company		52	
		Other		53	
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	
		Withdrawal subject to a time restriction of more than one month		55	
	Other			56	
Deposits with ceding undertakings			57		
Assets held to match linked liabilities	Index linked		58		
	Property linked		59		
Reinsurers' share of technical provisions	Provision for unearned premiums		60		
	Claims outstanding		61	28	
	Provision for unexpired risks		62		
	Other		63		
Total sheet 2 (41 to 63)			69	4709	

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1996 year	£000	1
<b>Debtors</b>					As at the end of this financial year 1		As at the end of the previous year 2		
<b>Other assets</b>									
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72	145				
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76					
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78	2				
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81	252				
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84	149				
	Deferred acquisition costs			85	117				
	Other prepayments and accrued income			86					
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	665				
Grand total of admissible assets (39+69+88)				89	5374				
<b>Reconciliation to asset values determined in accordance with the shareholder accounts rules</b>									
Total admissible assets (as per line 89 above)				91	5374				
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)				92					
Solvency margin deduction for insurance dependants				93					
Other differences in the valuation of assets (other than for assets not valued above)				94	21				
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)				95					
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				99	5395				
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100					

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Assets deposited with the Accountant General**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
					day	month	year			
			R13	FC19045	UK	31	12	1996	£000	2
Investments							As at the end of this financial year 1		As at the end of the previous year 2	
Land and buildings						11				
Investments in group undertakings and participating interests	UK insurance dependants	Shares				21				
		Debt securities issued by, and loans to, dependants				22				
	Other insurance dependants	Shares				23				
		Debt securities issued by, and loans to, dependants				24				
	Non-insurance dependants	Shares				25				
		Debt securities issued by, and loans to, dependants				26				
	Other group undertakings and participating interests	Shares				27				
		Debt securities issued by, and loans to, group undertakings				28				
		Participating interests				29				
		Debt securities issued by, and loans to, undertakings in which the company has a participating interest				30				
Total sheet 1 (11 to 30)						39				

**Analysis of admissible assets**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Assets deposited with the Accountant General**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1996 year	£000	2
<b>Investments (continued)</b>						As at the end of this financial year 1		As at the end of the previous year 2	
<b>Deposits with ceding undertakings</b>									
<b>Assets held to cover linked liabilities</b>									
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	85				
			Other	46					
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54					
		Withdrawal subject to a time restriction of more than one month		55					
	Other			56					
Deposits with ceding undertakings				57					
Assets held to match linked liabilities	Index linked			58					
	Property linked			59					
Reinsurers' share of technical provisions	Provision for unearned premiums			60					
	Claims outstanding			61					
	Provision for unexpired risks			62					
	Other			63					
Total sheet 2 (41 to 63)				69	85				

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Assets deposited with the Accountant General**

R13	Company registration number FC19045	GL/UK/CM UK	Period ended			Units £000	Category of assets 2
			day	month	year		
			31	12	1996		

Debtors			As at the end of this financial year 1	As at the end of the previous year 2
Other assets				
Debtors arising out of direct insurance operations	Policyholders		71	
	Intermediaries		72	
Salvage and subrogation recoveries			73	
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted		74	
	Due from reinsurers and intermediaries under reinsurance contracts ceded		75	
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year	76	
		Due more than 12 months after the end of the financial year	77	
	Other	Due in 12 months or less after the end of the financial year	78	
		Due more than 12 months after the end of the financial year	79	
Tangible assets			80	
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities		81	
	Cash in hand		82	
Other assets (particulars to be specified by way of supplementary note)			83	
Prepayments and accrued income	Accrued interest and rent		84	
	Deferred acquisition costs		85	
	Other prepayments and accrued income		86	
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets			87	
Total sheet 3 (71 to 86 less 87)			88	
Grand total of admissible assets (39+69+88)			89	85

## Reconciliation to asset values determined in accordance with the shareholder accounts rules

Total admissible assets (as per line 89 above)	91	85	
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)	92		
Solvency margin deduction for insurance dependants	93		
Other differences in the valuation of assets (other than for assets not valued above)	94		
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)	95		
Total assets determined in accordance with the shareholder accounts rules (91 to 95)	99	85	

Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance	100		
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## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Assets maintained in the United Kingdom**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1996 year	£000	3
Investments					As at the end of this financial year 1		As at the end of the previous year 2		
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance dependants	Shares			21				
		Debt securities issued by, and loans to, dependants			22				
	Other insurance dependants	Shares			23				
		Debt securities issued by, and loans to, dependants			24				
	Non-insurance dependants	Shares			25				
		Debt securities issued by, and loans to, dependants			26				
	Other group undertakings and participating interests	Shares			27				
		Debt securities issued by, and loans to, group undertakings			28				
		Participating interests			29				
Debt securities issued by, and loans to, undertakings in which the company has a participating interest			30						
Total sheet 1 (11 to 30)					39				

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Assets maintained in the United Kingdom**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1996 year	£000	3
Investments (continued)					As at the end of this financial year 1		As at the end of the previous year 2		
Deposits with ceding undertakings									
Assets held to cover linked liabilities									
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	4681				
			Other	46					
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54					
		Withdrawal subject to a time restriction of more than one month		55					
Other			56						
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked		58						
	Property linked		59						
Reinsurers' share of technical provisions	Provision for unearned premiums		60						
	Claims outstanding		61						
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)			69	4681					

**Analysis of admissible assets**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Assets maintained in the United Kingdom**

Category of assets		Assets maintained in the United Kingdom		Company registration number	GLUK/CM	Period ended			Units	Category of assets
		day	month			year				
		R13	FC19045	UK	31	12	1996	£000	3	
Debtors						As at the end of this financial year 1			As at the end of the previous year 2	
Other assets										
Debtors arising out of direct insurance operations	Policyholders				71					
	Intermediaries				72	145				
Salvage and subrogation recoveries					73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted				74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded				75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year			76					
		Due more than 12 months after the end of the financial year			77					
	Other	Due in 12 months or less after the end of the financial year			78	2				
		Due more than 12 months after the end of the financial year			79					
Tangible assets					80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities				81	252				
	Cash in hand				82					
Other assets (particulars to be specified by way of supplementary note)					83					
Prepayments and accrued income	Accrued interest and rent				84	149				
	Deferred acquisition costs				85	117				
	Other prepayments and accrued income				86					
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets					87					
Total sheet 3 (71 to 86 less 87)					88	665				
Grand total of admissible assets (39+69+88)					89	5346				
Reconciliation to asset values determined in accordance with the shareholder accounts rules										
Total admissible assets (as per line 89 above)					91	5346				
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)					92					
Solvency margin deduction for insurance dependants					93					
Other differences in the valuation of assets (other than for assets not valued above)					94	21				
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)					95					
Total assets determined in accordance with the shareholder accounts rules (91 to 95)					99	5367				
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance					100					

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Assets maintained in the United Kingdom and the other EEA States**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	FC19045	UK	31	12	1996	£000	4
Investments							As at the end of this financial year 1		As at the end of the previous year 2	
Land and buildings						11				
Investments in group undertakings and participating interests	UK insurance dependants	Shares				21				
		Debt securities issued by, and loans to, dependants				22				
	Other insurance dependants	Shares				23				
		Debt securities issued by, and loans to, dependants				24				
	Non-insurance dependants	Shares				25				
		Debt securities issued by, and loans to, dependants				26				
	Other group undertakings and participating interests	Shares				27				
		Debt securities issued by, and loans to, group undertakings				28				
		Participating interests				29				
Debt securities issued by, and loans to, undertakings in which the company has a participating interest					30					
Total sheet 1 (11 to 30)						39				

**Analysis of admissible assets**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Assets maintained in the United Kingdom and the other EEA States**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1996 year	£000	4
<b>Investments (continued)</b>					As at the end of this financial year 1			As at the end of the previous year 2	
<b>Deposits with ceding undertakings</b>									
<b>Assets held to cover linked liabilities</b>									
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	4681				
			Other	46					
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54					
		Withdrawal subject to a time restriction of more than one month		55					
	Other			56					
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked		58						
	Property linked		59						
Reinsurers' share of technical provisions	Provision for unearned premiums		60						
	Claims outstanding		61						
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)			69	4681					

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Category of assets **Assets maintained in the United Kingdom and the other EEA States**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1996 year	£000	4
Debtors					As at the end of this financial year 1			As at the end of the previous year 2	
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72	145				
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76					
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78	2				
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81	252				
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84	149				
	Deferred acquisition costs			85	117				
	Other prepayments and accrued income			86					
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	665				
Grand total of admissible assets (39+69+88)				89	5346				
Reconciliation to asset values determined in accordance with the shareholder accounts rules									
Total admissible assets (as per line 89 above)				91	5346				
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)				92					
Solvency margin deduction for insurance dependants				93					
Other differences in the valuation of assets (other than for assets not valued above)				94	21				
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)				95					
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				99	5367				
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance					100				

## Liabilities (other than long term business)

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	FC19045	UK	31 day	12 month	1996 year	£000
				As at the end of this financial year 1		As at the end of the previous year 2		
Technical provisions (gross amount)	Provision for unearned premiums		11	415				
	Claims outstanding		12	231				
	Provision for unexpired risks		13					
	Equalisation provisions	Credit business	14					
		Other than credit business	15					
	Other		16					
Total (11 to 16)		19	646					
Provisions for other risks and charges	Taxation		21					
	Other		22					
Deposits received from reinsurers			31					
Creditors	Arising out of insurance operations	Direct business	41					
		Reinsurance accepted	42					
		Reinsurance ceded	43	48				
	Debenture loans	Secured	44					
		Unsecured	45					
	Amounts owed to credit institutions		46					
	Other creditors	Taxation	47					
		Recommended dividend	48					
Other		49	131					
Accruals and deferred income			51					
Total (19 to 51)			59	825				
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)			61					
Cumulative preference share capital			62					
Subordinated loan capital			63					
Total (59 to 63)			69	825				
Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance			71	131				

**Profit and loss account (non-technical account)**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**

		Company registration number		GL/UK/CM		Period ended			Units	
		R16	FC19045	UK		31	12	1996	£000	
		This financial year		Previous year		Source				
		1		2		Form	Line	Column		
Transfer (to)/from the general business technical account	From Form 20	11	(189)			20 . 59				
	Equalisation provisions	12								
Transfer from the long term business revenue account		13				40 . 26				
Investment income	Income	14	272							
	Value re-adjustments on investments	15								
	Gains on the realisation of investments	16								
Investment charges	Investment management charges, including interest	17								
	Value re-adjustments on investments	18								
	Loss on the realisation of investments	19								
Allocated investment return transferred to the general business technical account		20				20 . 51				
Other income and charges (particulars to be specified by way of supplementary note)		21	(6)							
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	77							
Tax on profit or loss on ordinary activities		31								
Profit or loss on ordinary activities after tax (29-31)		39	77							
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41								
Tax on extraordinary profit or loss		42								
Other taxes not shown under the preceding items		43								
Profit or loss for the financial year (39+41-(42+43))		49	77							
Dividends (paid and proposed)		51								
Profit or loss retained for the financial year (49-51)		59	77							

**General business : Technical account (excluding equalisation provisions)**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Summary**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

Accounting  
class/  
summary

R20	FC19045	UK	31	12	1996	£000	99
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Items to be shown net of reinsurance			This financial year	Previous year	Source		
			1	2	Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11	159		21	19	5
	Claims incurred	12	201		22	17	4
	Claims management costs	13	46		22	18	4
	Adjustment for discounting	14			22	52	4
	Increase in provision for unexpired risks	15			22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16					
	Net operating expenses	17	101		22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(189)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22			22	13	4
	Claims management costs	23			22	14	4
	Adjustment for discounting	24			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25					
	Net operating expenses	26			22	41	4
	Balance (21-22-23+24+25-26)	29					
Balance from underwriting year accounting		39			24	69	99-99
Balance of all years' underwriting (19+29+39)		49	(189)				
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(189)				

## General business : Technical account (excluding equalisation provisions)

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Property**

R20	Company registration number FC19045	GL/UK/CM UK	Period ended			Units £000	Accounting class/ summary 6
			day	month	year		
			31	12	1996		

Items to be shown net of reinsurance			This financial year 1	Previous year 2	Source		
					Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11	79		21	19	5
	Claims incurred	12	161		22	17	4
	Claims management costs	13	18		22	18	4
	Adjustment for discounting	14			22	52	4
	Increase in provision for unexpired risks	15			22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16					
	Net operating expenses	17	49		22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(149)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22			22	13	4
	Claims management costs	23			22	14	4
	Adjustment for discounting	24			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25					
	Net operating expenses	26			22	41	4
	Balance (21-22-23+24+25-26)	29					
Balance from underwriting year accounting		39			24	69	99-99
Balance of all years' underwriting (19+29+39)		49	(149)				
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(149)				

**General business : Technical account (excluding equalisation provisions)**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Third party liability**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary		
		R20	FC19045	UK	31	12	1996	£000	7	
Items to be shown net of reinsurance				This financial year		Previous year		Source		
				1		2		Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11	76		21	19	5			
	Claims incurred	12	38		22	17	4			
	Claims management costs	13	21		22	18	4			
	Adjustment for discounting	14			22	52	4			
	Increase in provision for unexpired risks	15			22	19	4			
	Other technical income or charges (particulars to be specified by way of supplementary note)	16								
	Net operating expenses	17	51		22	42	4			
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(34)							
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5			
	Claims incurred	22			22	13	4			
	Claims management costs	23			22	14	4			
	Adjustment for discounting	24			22	51	4			
	Other technical income or charges (particulars to be specified by way of supplementary note)	25								
	Net operating expenses	26			22	41	4			
	Balance (21-22-23+24+25-26)	29								
Balance from underwriting year accounting		39			24	69	99-99			
Balance of all years' underwriting (19+29+39)		49	(34)							
Allocated investment return		51								
Transfer to non-technical account (49+51)		59	(34)							

**General business : Technical account (excluding equalisation provisions)**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Miscellaneous and pecuniary loss**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary			
		R20	FC19045	UK	31 day	12 month	1996 year	£000	8		
Items to be shown net of reinsurance				This financial year		Previous year		Source			
				1		2		Form	Line	Column	
This year's underwriting (accident year accounting)	Earned premium	11	4				21 . 19 . 5				
	Claims incurred	12	2				22 . 17 . 4				
	Claims management costs	13	7				22 . 18 . 4				
	Adjustment for discounting	14					22 . 52 . 4				
	Increase in provision for unexpired risks	15					22 . 19 . 4				
	Other technical income or charges (particulars to be specified by way of supplementary note)	16									
	Net operating expenses	17	1				22 . 42 . 4				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(6)								
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21					21 . 11 . 5				
	Claims incurred	22					22 . 13 . 4				
	Claims management costs	23					22 . 14 . 4				
	Adjustment for discounting	24					22 . 51 . 4				
	Other technical income or charges (particulars to be specified by way of supplementary note)	25									
	Net operating expenses	26					22 . 41 . 4				
	Balance (21-22-23+24+25-26)	29									
Balance from underwriting year accounting		39					24. 69 . 99-99				
Balance of all years' underwriting (19+29+39)		49	(6)								
Allocated investment return		51									
Transfer to non-technical account (49+51)		59	(6)								

## General business (accident year accounting) : Analysis of premiums

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Property**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class
				day	month	year		
		<b>R21</b>	<b>FC19045</b>	<b>UK</b>	<b>31</b>	<b>12</b>	<b>1996</b>	<b>£000</b>
		Net of reinsurance						
<b>Premiums receivable during the financial year</b>		Reinsurers' share						
		Earned in previous financial years <b>1</b>	Earned in previous financial years <b>3</b>	Earned in previous financial years <b>6</b>	Earned in previous financial years <b>6</b>	Earned in previous financial years <b>6</b>	Unearned at end of this financial year	
In respect of risks incepted in previous financial years								
		<b>11</b>						
In respect of risks incepted in previous financial years		Earned in this financial year <b>1</b>	Unearned at end of this financial year <b>2</b>	Earned in this financial year <b>3</b>	Unearned at end of this financial year <b>4</b>	Earned in this financial year <b>6</b>	Unearned at end of this financial year <b>6</b>	
		<b>12</b>						
In respect of risks incepted in this financial year	For periods of less than 12 months	<b>13</b>	<b>63</b>	<b>5</b>	<b>24</b>	<b>39</b>	<b>5</b>	
	For periods of 12 months	<b>14</b>	<b>40</b>	<b>165</b>		<b>40</b>	<b>165</b>	
	For periods of more than 12 months	<b>15</b>						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		<b>16</b>						
Total (12 to 16)		<b>19</b>	<b>103</b>	<b>170</b>	<b>24</b>	<b>79</b>	<b>170</b>	

**General business (accident year accounting) : Analysis of premiums**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Third party liability**

		Company registration number	GL/JUK/ICM	Period ended			Units	Accounting class
				day	month	year		
		<b>R21</b>	<b>FC19045</b>	<b>UK</b>	<b>31</b>	<b>12</b>	<b>1996</b>	<b>7</b>
		Reinsurers' share			Net of reinsurance			
Gross premiums written		Earned in previous financial years 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in previous financial years 5	Unearned at end of this financial year 6	
Premiums receivable during the financial year								
In respect of risks incepted in previous financial years	<b>11</b>							
In respect of risks incepted in previous financial years	<b>12</b>							
For periods of less than 12 months	<b>13</b>	51	33	56		(5)	33	
For periods of 12 months	<b>14</b>	71	145			71	145	
For periods of more than 12 months	<b>15</b>	10	60			10	60	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	<b>16</b>							
Total (12 to 16)	<b>19</b>	132	238	56		76	238	

## General business (accident year accounting) : Analysis of premiums

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Miscellaneous and pecuniary loss**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class	
				day	month	year			
		R21	FC19045	UK	31	12	1996	£000	8
<b>Premiums receivable during the financial year</b>		Gross premiums written		Reinsurers' share		Net of reinsurance			
		Earned in previous financial years 1	Earned in previous financial years 3	Earned in previous financial years 5	Earned in previous financial years 6				
In respect of risks incepted in previous financial years		11							
		Earned in this financial year 1	Earned in this financial year 3	Unearned at end of this financial year 2	Earned in this financial year 6	Unearned at end of this financial year 4	Unearned at end of this financial year 6		
In respect of risks incepted in previous financial years		12							
For periods of less than 12 months		13							
In respect of risks incepted in this financial year		14	4	7		4	7		
For periods of more than 12 months		15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16							
Total (12 to 16)		19	4	7		4	7		

## General business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Property**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class	
		R22	FC19045	UK	31 day	12 month	1996 year	£000	6
			Amount brought forward from previous financial year	Amount payable/receivable in this financial year	Amount carried forward to next financial year	Amount attributable to this financial year			
			1	2	3	4			
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11							
	Reinsurers' share	12							
	Net (11-12)	13							
	Claims management costs	14							
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		11	150	161			
	Reinsurers' share	16							
	Net (15-16)	17		11	150	161			
	Claims management costs	18		6	12	18			
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		56	47	9			
	Other acquisition expenses	22							
	Administrative expenses	23		44		44			
	Reinsurance commissions and profit participations	24		4		4			
	Total (21+22+23-24)	29		96	47	49			
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42		96	47	49			
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

Accounting class	Third party liability
<p>1. <b>Assets</b></p> <p>2. <b>Liabilities</b></p> <p>3. <b>Equity</b></p>	<p>1. <b>Assets</b></p> <p>2. <b>Liabilities</b></p> <p>3. <b>Equity</b></p>

			Company registration number	GL/UK/CM	Period ended			Units	Accounting class	
			R22	FC19045	UK	31 day	12 month	1996 year	£000	7
				Amount brought forward from previous financial year		Amount payable/receivable in this financial year		Amount carried forward to next financial year		Amount attributable to this financial year
				1		2		3		4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11								
	Reinsurers' share	12								
	Net (11-12)	13								
	Claims management costs	14								
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				4		62		66
	Reinsurers' share	16						28		28
	Net (15-16)	17				4		34		38
	Claims management costs	18				16		5		21
Provision for unexpired risks		19								
Net operating expenses	Commissions	21				68		68		
	Other acquisition expenses	22								
	Administrative expenses	23				62				62
	Reinsurance commissions and profit participations	24				11				11
	Total (21+22+23-24)	29				119		68		51
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31								
	Reinsurers' share	32								
	Claims management costs	33								
	Total (31-32+33)	39								
Split of line 29	Prior financial years	41								
	This financial year	42				119		68		51
Split of line 39	Incidents occurring prior to this financial year	51								
	Incidents occurring in this financial year	52								

**Accounting class**                      **Miscellaneous and pecuniary loss**

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## General business (accident year accounting) : Analysis of net claims and premiums

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Property**

Accounting class		Property		Company registration number		GLUK/CM		Period ended				Units		Accounting class										
								day month year																
								31		12					1996									
Accident year ended		R23	FC19045		UK		Balance on each accident year (4+5+6-7-8)		Deduction for discounting from claims outstanding carried forward (net)		Earned premiums (net)		Deterioration/ (surplus) of original reserve %		Claims ratio %									
			Reported (net)		Incurred but not reported (net)		Reported (net)		Incurred but not reported (net)		Reported (net)		Incurred but not reported (net)		Reported (net)		Incurred but not reported (net)							
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	29
12	1996	11			11	123	27			161		79		203.8										
		12																						
		13																						
		14																						
		15																						
		16																						
		17																						
		18																						
		19																						
		20																						
Prior accident years		21																						
Reconciliation		22																						
Total (11 to 22)		29			11	123	27			161														

Name of company	Chubb Custom Insurance Company

Financial year ended	31st December 1996
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Accounting class	Third party liability
<p>1. <b>Accounting class</b></p> <p>2. <b>Third party liability</b></p>	<p>1. <b>Accounting class</b></p> <p>2. <b>Third party liability</b></p>

[illegible]

## General business (accident year accounting) : Analysis of net claims and premiums

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1996**Accounting class **Miscellaneous and pecuniary loss**

Accounting class		Miscellaneous and pecuniary loss										Company registration number		GL/UK/CM			Period ended			Units		Accounting class	
												day		month			year						
Accounting year ended		R23		FC19045		UK		31		12		1996		£000		8							
Month	Year	Claims paid (net) during the accident year		Claims outstanding (net) as at end of the accident year		Total claims paid (net) since the end of the accident year, but prior to this financial year		Claims paid (net) during this financial year		Claims outstanding carried forward		Claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)		Deduction for discounting from claims outstanding carried forward (net)		Earned premiums (net)		Deterioration/ (surplus) of original reserve %		Claims ratio %	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
12	1996	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

## General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance

Name of company **Chubb Custom Insurance Company**Accounting class **Property**

United Kingdom branch

Currency **Pounds Sterling**Financial year ended **31st December 1996**Risk group **United States Of America**

Accident year ended		Year																							
		Month		Year		R31		FC19045		UK		31		12		1996		000		AB		Claims ratio %			
				Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance for each accident year (4+5+6-7-8)		Gross earned premiums		Claims ratio %									
				Closed at some cost during this or previous financial years		Reported claims outstanding		In previous financial years		In this financial year		Reported		Incurred but not reported		Reported		Incurred but not reported		Balance for each accident year (4+5+6-7-8)		Gross earned premiums		Claims ratio %	
				1		2		3		4		5		6		7		8		9		10		11	
12	1996	11	1	1	1	11	11	123	27	123	27	11	11	123	27	123	27	161	103	156.3					
		12																							
		13																							
		14																							
		15																							
		16																							
		17																							
		18																							
		19																							
		20																							
Prior accident years		21																							
Total (11 to 21)		29			1			11	27	123	27	11	11	123	27	161	161	103	156.3						
Line 29 expressed in sterling		30						11	27	123	27	11	11	123	27	161	161	103	156.3						

**Accounting class      Third party liability**

Name of company

**Currency**

**Pounds Sterling**

**Accounting class**

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**Chubb Custom Insurance Company**

Accounting class Miscellaneous and pecuniary loss

Currency Pounds Sterling

Financial year ended 31st December 1996

Risk group

Year																	
Accident year ended		Year															
		Month		Year		Number of claims		Gross claims paid		Gross claims outstanding carried forward			Gross claims outstanding brought forward			Balance for each accident year (4+5+6-7-8)	Gross earned premiums
		1	2	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported	Reported	Incurred but not reported	Reported	Incurred but not reported	9	10		
12	1996	11	1	3	4	5	6	7	8	2					9	10	11
		12															
		13															
		14															
		15															
		16															
		17															
		18															
		19															
		20															
Prior accident years		21															
Total (11 to 21)		29		1						2					2		
Line 29 expressed in sterling		30								2					2		

Returns under Insurance Companies Legislation

Statement of Major Reinsurers - Regulation 19

General business

Name of Company Chubb Custom Insurance Company

UK Branch Business

Financial year ended 31st December 1996

FULL NAME OF MAJOR REINSURER	ADDRESS OF REGISTERED OR PRINCIPAL OFFICE	CONNECTION WITH COMPANY & HOW	TOTAL NON-PROPORTIONAL £'000	AMOUNT OF TOTAL GROSS PREMIUMS PAYABLE £'000	AMOUNT OF ANY ANTICIPATED RECOVERIES £'000
FEDERAL INSURANCE COMPANY	CAPITOL CENTER, 251 NORTH ILLINOIS, SUITE 1100, INDIANAPOLIS, INDIANA, USA	RELATED COMPANY, BEING IMMEDIATE PARENT	80	80	28

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

Statement of Major Facultative Reinsurers (Regulation 20)

UK Branch Business

Financial Year Ended: 31 December 1996

There were no major facultative reinsurers in the period.

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

Statement of Major Cedants (Regulation 21)

UK Branch Business

Financial Year Ended: 31 December 1996

There were no major cedants in the period.

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

Statement required by Regulation 23 of the Insurance Companies (Accounts & Statements) Regulations 1996

UK Branch Business:

Financial Year Ended: 31 December 1996

The Company's investment guidelines do not involve the use of derivative contracts and no such contracts have been entered into during the financial year. There is consequently nothing to report under paragraphs (b) to (i) of Regulation 23.

# Returns Under Insurance Companies Legislation

General Business Schedule 5

Chubb Custom Insurance Company

UK Branch Business

Financial year ended 31 December 1996

## Principal Non-Facultative Reinsurance arrangements - 1996

Accounting Classes	Cover Name	Type of Cover	Period of Cover	Limits (US\$m)	Premiums Payable
Property	Excess of Loss	Excess of Loss	01/01/96 - 31/12/96	9m x 1m	18
Property	Property Per Risk	Excess of Loss	01/05/96 - 01/05/97	132.5m x 7.5m	2
Property	Property Catastrophe	Excess of Loss	01/05/96 - 01/05/97	25m x 25m 25m x 50m 25m x 75m	4
Third Party Liability	First Through Third Blanket Casualty	Excess of Loss	01/01/96 - 31/12/96	70m x 15m	56
Third Party Liability	Casualty Excess	Excess of Loss	01/01/96 - 31/12/96	15m x 10m	
Third Party Liability	Special Casualty	Excess of Loss	01/01/96 - 31/12/96	15m x 10m	
Miscellaneous and Pecuniary Loss	Special Casualty	Excess of Loss	01/01/96 - 31/12/96	15m x 10m	

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial Year Ended: 31 December 1996

## SUPPLEMENTARY NOTES TO THE RETURN

### **1002 Other Movements**

The entry on Form 10 relates to the transfer of funds relating to the Head Office Account for the UK branch at the start of the year.

### **1200 Reference Period**

The Company has not been in existence long enough to acquire a reference period and as such lines 11 to 41 have been left blank.

### **1304/1310 Debtors and Creditors**

Certain amounts shown on Form 13 and 15 have been calculated by netting amounts due to any one person against amounts due from that person to the extent permitted by generally accepted accounting principles.

### **1305/1311 Counterparty Exposure**

The Company's investment guidelines state that no more than 5% of the total portfolio may be invested in an issue and no more than 10% in any one name. However, where the total value of the portfolio is not significant, then the guidelines state that the investments made must be rated at least AA- by Standard and Poor's and AA3 by Moody's. There has been no breach of these guidelines in the year.

### **1501 Provision for Adverse Changes**

The Company has no involvement in stock lending or derivative contracts and as such no provision is required.

### **1502 Contingent Liabilities**

No provision has been made for any liability to tax on capital gains which might arise if the Company disposed of its assets.

### **1601 Foreign Currency**

Amounts of income and expenditure shown on Form 16 have been calculated at the rate ruling at the date of transaction and for US dollar amounts at the rate for that particular month.

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial Year Ended: 31 December 1996

SUPPLEMENTARY NOTES TO THE RETURN - continued

**1603 Other Income and Charges**

Line 21 represents exchange write off's in the year.

**1700 Derivative Contracts**

The Company has no derivative contracts and as such Form 17 has been omitted from the return.

**2002 Analysis of Premiums Written**

All premiums written (gross and the reinsurers share) are attributable to overseas business.

**2003 Authorised Classes**

The Company did not write any new business in the following authorised classes; 3, 7, 10, 15 and 17. This is the first year the Company has been authorised to write business.

**2102 Unearned Premiums**

Unearned premiums are calculated on the 24ths basis, suitably modified for non annual policies. This basis allows for an appropriate recognition of premium over the period of risk.

**2202 Claims Management Expenses**

Claims management expenses are calculated from a cost allocation system. This allocation is reviewed periodically to determine the claims growth in accounting classes. The carried forward expense is calculated based on claims reserves at the end of each year.

**3000 Discounting of claims provisions**

The Company does not practise discounting and as such Form 30 has been omitted from the return.

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial Year Ended: 31 December 1996

SUPPLEMENTARY NOTES TO THE RETURN - continued

**3102 Risk Group Information**

Chubb Custom is an Excess and Surplus Lines carrier for the North American market. This is somewhat of a niche market and as such, detailed analysis by Risk group has been omitted.

**3700/3800 Equalisation provisions**

The net written premiums for the United Kingdom branch fall below the de minimus limits and as such the provisions of the Insurance Companies (Reserves) Regulations 1996 do not apply.

Returns under Insurance Companies Legislation

Certificate required by Regulation 28(a) of the Insurance Companies (Accounts and Statements) Regulations 1996

**CHUBB CUSTOM INSURANCE COMPANY**

U.K branch business

Financial year ended: 31 December 1996

We certify:

- (1) (a) in relation to the part of the return comprising Forms 9 to 13, 15 and 16, 20 to 23 and 31, the statements required by regulations 19 to 21, 23 and 26 of the Insurance Companies (Accounts and Statements) Regulations 1996 and the supplementary notes that:
    - (i) the return has been prepared in accordance with the Regulations;
    - (ii) proper accounting records have been maintained and adequate information has been obtained by the Company;
    - (iii) an appropriate system of control has been established and maintained by the Company over its transactions and records;
  - (b) that reasonable enquiries have been made by the company for the purpose of determining whether any person and any body corporate are connected for the purposes of regulations 19, 20 and 21;
  - (c) that in respect of the company's business which is not excluded by regulation 32 of the Insurance Companies Regulations 1994, the assets held throughout the financial year enabled the company to comply with regulations 27 to 31 (matching and localisation) of those Regulations.
- (2) that the margin of UK solvency required by section 32 of the Insurance Companies Act 1982 has been maintained throughout the year.
  - (3) (a) that the company has kept throughout the financial year admissible assets representing the required United Kingdom minimum margin of an amount at least equal to the appropriate fund or minimum guarantee fund, whichever was the greater, within the United Kingdom and has kept throughout that year admissible assets representing the remainder of that minimum margin within the United Kingdom; and
  - (b) that the deposit made in accordance with section 9(1)(c) of the Insurance Companies Act 1982 has been maintained throughout the year at a level equal to at least the minimum as defined in regulation 7 of the Insurance Companies Regulations 1994.

Returns under Insurance Companies Legislation

Certificate required by Regulation 28(a) of the Insurance Companies (Accounts and Statements) Regulations 1996

**CHUBB CUSTOM INSURANCE COMPANY**

U.K branch business

Financial year ended: 31 December 1996

(continued)

- (4) (a) that the systems of control established and maintained by the Company in respect of its business complied at the end of the financial year with the following published guidance:
- i) Prudential Guidance Note 1994/6 - 'Systems of control over the investments (and counterparty exposure) of insurance companies with particular reference to derivatives'; and
  - ii) Prudential Guidance Note 1996/1 - 'Controls over general business claims provisions'
- and it is reasonable to believe that those systems continued to so comply subsequently and will continue to so comply in future; and
- (b) the return has been prepared in accordance with the following published guidance:
- i) Prudential Guidance Note 1995/1 - 'Guidance for insurance companies and auditors on the Valuation of Assets Regulations (Part VIII of the Insurance Companies Regulations 1994)'; and
  - ii) Prudential Guidance Note 1996/3 - 'The preparation of annual returns to the Department of Trade and Industry'.
- (5) that proper accounting records have been maintained in the United Kingdom in respect of business carried on through any agency or branch of the Company in the United Kingdom.

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W.E. Namacher  
Authorised Representative

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D. Stevens  
Accounting Manager

Date: 27 June 1996

## Returns Under Insurance Companies Legislation

Report of the auditors to the directors pursuant to Regulation 29 of the Insurance Companies (Accounts & Statements) Regulations 1996

### CHUBB CUSTOM INSURANCE COMPANY

UK branch business

Financial year ended: 31 December 1996

We have audited the documents prepared by the Company pursuant to section 17 of the Insurance Companies Act 1982 ("the Act") which are required to be audited by Regulation 29 of the Insurance Companies (Accounts & Statements) Regulations 1996 ("the Regulations"). These comprise Forms 9 to 13, 15 to 16, 20 to 23 and 31, the statements furnished pursuant to regulations 19, 20 and 21 and 23 on pages 35 to 39, the supplementary notes on pages 40 to 42 and the certificate signed in accordance with Regulation 28 (a) on pages 43 to 44. In the case of the certificate, our audit did not extend to paragraph 1 in relation to the statements required by regulation 26.

#### **Respective responsibilities of the Company and its auditors**

The Company is responsible for the preparation of the returns under the provisions of the Act and the Regulations. It is our responsibility to form an independent opinion, based on our audit, on those parts of the returns which are subject to audit by virtue of Regulation 29 and to report our opinion to you.

#### **Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practises Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the documents specified by regulation 29. It also includes an assessment of the significant estimates and judgements made by the Company in the preparation of the documents specified by regulation 29.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the documents specified by regulation 29 are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated whether the documents had been prepared in the manner specified by the Regulations and fairly stated the information provided on the basis required.

Returns Under Insurance Companies Legislation

Report of the auditors to the directors pursuant to Regulation 29 of the Insurance Companies (Accounts & Statements) Regulations 1996

CHUBB CUSTOM INSURANCE COMPANY

UK branch business

Financial year ended: 31 December 1996

(continued)

**Opinion**

In our opinion:

- (a) the Forms, statements and supplementary notes have been properly prepared in accordance with the provisions of the Regulations; and
- (b) according to the information and explanations received by us:
  - (i) the certificate has been properly prepared in accordance with the provisions of the Regulations; and
  - (ii) it was not unreasonable for the persons giving the certificate to have made the statements therein.

Ernst & Young  
Chartered Accountants  
Registered Auditor  
London  
30th June 1997